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**Successor Agency to the  
Redevelopment Agency of the City of Burbank**  
**275 East Olive Avenue -- PO Box 6459 – Burbank, CA 91510**

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December 10, 2012

Ms. Wendy L. Watanabe  
Los Angeles County Auditor-Controller  
500 West Temple Street, Room 525  
Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

**SUBJECT: BURBANK SUCCESSOR AGENCY  
REMITTANCE OF HOUSING FUNDS - \$38,160,496.00**

Dear Ms. Watanabe:

In accordance with the Health and Safety Code, Section 34179.6 (f), the Burbank Successor Agency is hereby transmitting \$38,160,496.00, as a result of the Due Diligence Review of the Affordable Housing Fund. This amount reflects \$38,062,797 per the Department of Finance' (DOF) decision letter of November 9, 2012 (attached), which includes interest earned up to June 30, 2012. The remittance also includes \$97,699 of interest earned from July 1 through today, December 10, 2012. While the DOF issued its demand on November 9, 2012, the Successor Agency requested a Meet and Confer, which was scheduled to be held on December 6, 2012. On December 4, 2012 the Successor Agency rescinded its request and is hereby transmitting funds within five (5) business day of the rescission date of December 4, 2012 (see attached).

Should you have any questions or require additional information, please feel welcome to contact me at (818) 238-5180 or via e-mail at: [rdavidson@burbankca.gov](mailto:rdavidson@burbankca.gov).

Sincerely,



Ruth Davidson-Guerra

Assistant Community Development Director  
Successor Agency Implementing Official

E Copies: Amy Albano, City Attorney  
Cindy Giraldo, Financial Services Director  
Steve Szalay, DOF Local Government Consultant  
Jessica Yip, DOF Local Government Unit  
Kristina Burns, LA County Auditor-Controller Office  
California State Controller's Office


Attachments (2)



City of Burbank, P.O. Box 7145, Burbank, CA 91510-7145

**CHECK # 978375**

<b>DATE:</b> 10-Dec-12		<b>VENDOR NAME:</b> LOS ANGELES COUNTY		<b>VENDOR NO:</b> 2322	
<b>INVOICE NO</b>	<b>INV. DATE</b>	<b>DESCRIPTION</b>	<b>DISCOUNT</b>	<b>NET AMOUNT</b>	
10-DEC-2012	10-Dec-12	LOW MOD RETURN OF FUNDS BASED ON DDR & STATE DOF LETTER DATED 11/9/12	.00	38,160,496.00	



**EXECUTIVE OFFICE**  
DEPARTMENT OF AUDITOR-CONTROLLER  
COUNTY OF LOS ANGELES

*Eleana Lopez-Martinez*  
**on behalf of : WENDY L. WATANABE**  
AUDITOR-CONTROLLER

(213) 974-8302 • (213) 626-5427 FAX  
wwatanabe@auditor.lacounty.gov  
500 WEST TEMPLE STREET • SUITE 525 • LOS ANGELES • CALIFORNIA • 90012

**RECEIVED BY :**                           **RECEIVED**

DEC 10 2012

*Eleana Lopez-Martinez*      **AUDITOR-CONTROLLER**

**DATE :** 12/10/12      **TIME :** 2:00 p.m.

PLEASE DETACH AND RETAIN THIS STATEMENT AS YOUR RECORD OF PAYMENT	.00	38,160,496.00
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The Face of This Document Has a Colored Background on White Paper. Paper Includes: Fluorescent Fiber, a True Verify First Watermark - Hold up to light to view



**City of Burbank**  
P.O. Box 7145  
Burbank, CA 91510-7145

**Bank of America**  
142 East Olive Avenue  
Burbank, CA 91502

16-66  
1220

**978375**

CHECK DATE	CHECK NUMBER	CHECK AMOUNT
10-Dec-12	978375	\$\$\$38,160,496.00***

**PAY** Thirty-Eight Million One Hundred Sixty Thousand Four Hundred Ninety-Six Dollars And Zero Cents\*\*\*

TO  
THE  
ORDER  
OF

LOS ANGELES COUNTY  
AUDITOR-CONTROLLER  
C/O HOUSING & ECON DEV

*Debra Purnell*  
Assistant City Treasurer

*John*  
Deputy City Manager

00978375 12200066 02179 80 2012



City of Burbank, P.O. Box 7145, Burbank, CA 91510-7145

**CHECK # 978375**

<b>DATE:</b> 10-Dec-12		<b>VENDOR NAME:</b> LOS ANGELES COUNTY		<b>VENDOR NO:</b> 2322	
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10-DEC-2012	10-Dec-12	LOW MOD RETURN OF FUNDS BASED ON DDR & STATE DOF LETTER DATED 11/9/12	.00	38,160,496.00	
PLEASE DETACH AND RETAIN THIS STATEMENT AS YOUR RECORD OF PAYMENT			.00	38,160,496.00	

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Burbank, CA 91510-7145

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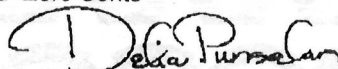
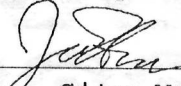
**978375**

CHECK DATE	CHECK NUMBER	CHECK AMOUNT
10-Dec-12	978375	***38,160,496.00***

PAY Thirty-Eight Million One Hundred Sixty Thousand Four Hundred Ninety-Six Dollars And Zero Cents\*\*\*

TO  
THE  
ORDER  
OF

LOS ANGELES COUNTY  
AUDITOR-CONTROLLER  
C/O HOUSING & ECON DEV

  
Assistant City Treasurer  
  
Deputy City Manager

00978375 12200066 02179 80201



**DEPARTMENT OF  
FINANCE**

EDMUND G. BROWN JR. - GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DDF.CA.GOV

November 9, 2012

Ms. Ruth Davidson-Guerra, Assistant Community Development Director  
City of Burbank  
150 North Third Street  
Burbank, CA 91502

Dear Ms. Davidson-Guerra:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the Successor Agency to the Redevelopment Agency of the City of Burbank (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 15, 2012. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Pursuant to HSC section 34179.6 (d), Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

HSC section 34179.6 (d) authorizes Finance to adjust the DDR's stated balance of Low and Moderate Income Housing Fund (LMIHF) available for distribution to the taxing entities. Based on our review of your DDR, the following adjustments were made:

- Your request to retain LMIHF balances for obligations totaling \$6.4 million is denied. Based on our review of your DDR, the Agency has not adequately proven there will be insufficient property tax revenues to pay for the \$6.4 million in obligations. HSC section 34179.5 (c) (5) (D) states that a successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements.

If a DDR review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations. It is not evident the thorough analysis required by HSC section 34179.5 (c) (5) (D) was conducted. Further, it is not evident that future property tax revenues will be insufficient. Therefore, your request to retain current LMIHF balances for future obligations is denied and the LMIHF available for distribution to the affected taxing entities will be adjusted by \$6.4 million.

- Your request to retain LMIHF balances totaling \$281,163 is denied. The ROPS periods for July through December 2012 and January through June 2013 did not identify any enforceable obligations to be funded by the LMIHF. Therefore, the request to retain funding for these items is denied and the LMIHF balance available for distribution to the taxing entities will be adjusted by \$281,163.

If you disagree with Finance's adjusted amount of LMIHF balances available for distribution to the taxing entities, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

[http://www.dof.ca.gov/redevelopment/meet\\_and\\_confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's LMIHF balance available for distribution to the affected taxing entities is \$38,062,797 (see table below). Pursuant to HSC 34179.6 (h) (1) (B), any remittance related to unallowable transfers to a private party may also be subject to a 10 percent penalty if not remitted within 60 days.

<b>LMIHF Balances Available For Distribution To Taxing Entities</b>	
Available Balance per DDR:	\$ 31,411,436
Finance Adjustments	
Add:	
Requested retained balances not supported:	6,651,361
<b>Total LMIHF available to be distributed:</b>	<b>\$ 38,062,797</b>

Absent a Meet and Confer request, HSC section 34179.6 (f) requires successor agencies to transmit to the county auditor-controller the amount of funds identified in the above table within five working days, plus any interest those sums accumulated while in the possession of the recipient.

If funds identified for transmission are in the possession of the successor agency, and if the successor agency is operated by the city or county that created the former redevelopment agency, then failure to transmit the identified funds may result in offsets to the city's or the county's sales and use tax allocation, as well as its property tax allocation. If funds identified for transmission are in the possession of another taxing entity, that taxing entity's failure to remit those funds may result in offsets to its sales and use tax allocation or to its property tax allocation.

Failure to transmit the identified funds will also prevent the Agency from being able to receive a finding of completion from Finance. Without a finding of completion, the Agency will be unable to take advantage of the provisions detailed in HSC section 34191.4. Specifically, these provisions allow certain loan agreements between the former redevelopment agency (RDA) and the city, county, or city and county that created the RDA to be considered enforceable obligations. These provisions also allow certain bond proceeds to be used for the purposes in which they were sold and allows for the transfer of real property and interests into the Community Redevelopment Property Trust Fund once Finance approves the Agency's long-range property management plan.

Ms. Davidson-Guerra  
November 9, 2012  
Page 3

In addition to the consequences above, willful failure to return assets that were deemed an unallowable transfer or failure to remit the funds identified above could expose certain individuals to criminal penalties under existing law.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated September 5, 2012 do not in any way eliminate the Controller's authority.

Please direct inquiries to Kylie Le, Supervisor or Brian Dunham, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Szalay', with a long horizontal line extending to the left.

STEVE SZALAY  
Local Government Consultant

cc: Ms. Maribel Leyland, Housing Authority Manager, City of Burbank  
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller  
California State Controller's Office

## Davidson-Guerra, Ruth

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**From:** Davidson-Guerra, Ruth  
**Sent:** Monday, December 10, 2012 12:03 PM  
**To:** Davidson-Guerra, Ruth  
**Subject:** FW: Burbank LMHIF DDR Request

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**From:** Yip, Jessica [<mailto:Jessica.Yip@dof.ca.gov>]  
**Sent:** Tuesday, December 04, 2012 1:16 PM  
**To:** Davidson-Guerra, Ruth  
**Cc:** Barr, Michael; Dunham, Brian  
**Subject:** RE: Burbank LMHIF DDR Request

Hello Ruth,

Thank you for letting us know.

*Jessica Yip*

Department of Finance  
Local Government Unit  
(916) 322 - 2985 ext. 3723


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**From:** Davidson-Guerra, Ruth [<mailto:RDavidson@burbankca.gov>]  
**Sent:** Tuesday, December 04, 2012 12:19 PM  
**To:** Yip, Jessica  
**Cc:** Barr, Michael; Dunham, Brian; Albano, Amy; Riley, Mary; Giraldo, Cindy; Forbes, Joy; Herrmann, Greg  
**Subject:** RE: Burbank LMHIF DDR Request

Good Morning, Jessica---

After further assessment and consideration, the Burbank Successor Agency respectfully withdraws its request to Meet and Confer regarding the Low and Moderate Income Housing Fund Due Diligence Review. Burbank will be delivering a remittance check to the Los Angeles County Auditor-Controller in the amount of **\$38,062,797 (plus interest earned on this amount up to 12/10/12)**. This remittance will be delivered to the County on Monday, December 10, 2012, which will be **within five (5) business days of this correspondence cancelling Thursday's meeting with the DOF**. Thank you very much for your efforts and arranging Thursday's meeting. As always, if you have any questions or have further direction for us, please contact me directly. Thanks again.

---Ruth

**RUTH DAVIDSON-GUERRA | Assistant Community Development Director**  
Housing + Economic Development + Real Estate + CDBG + Successor Agency  
<mailto:rdavidson@ci.burbank.ca.us> | <http://www.burbankca.org/> | Call 818.238.5180  
 Save a tree...please don't print this unless you really need to.